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By MR. [unclear] 7/25/80

THE CABINET MEETING
OF
JULY 31, 1968

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MINUTES OF CABINET MEETING

July 31, 1968

The President convened the meeting of the Cabinet at 12:03 p.m. He invited Secretary Rusk to give a report on the Honolulu Conference and the situation in Czechoslovakia.

Secretary Rusk 12:03 - 12:15 p.m.

The Honolulu Conference "was not a meeting called to make dramatic decisions."

The President has kept in regular touch with the leaders of South Vietnam, meeting them on an average of every six months.

"President Thieu had been scheduled for a State visit here, but for reasons out there and here, it was mutually agreed that it was not the best time for a visit to the United States. Some of the Press found it hard to accept this reasoning. They tried to build up the Honolulu Conference into something spectacular.

"I was personally impressed by the maturity and development of President Thieu. He has grown in his grasp of social and military matters. ... There is a new vigor now in the political institutions of South Vietnam. ... We were encouraged by new evidence of real political progress in South Vietnam.

"On the military side, the troops of North Vietnam and the Viet Cong seem to be planning a major wave of new assaults. Secretary Clifford gave us that report after his trip out there. Captured documents and intelligence and the pattern of local attacks confirm our estimate. We find it hard to relate these facts to the Paris talks and any desire on the other side to de-escalate. Traffic on the Ho Chi Minh Trail is larger than ever. Yet some people sense a lull. It would be very easy for the other side in Paris to whisper behind their hand if they really wanted to tell us about a real lull. But they haven't done that.

"Thieu's statements showed that he has been thinking in broad terms about the future of Southeast Asia... he is interested in having both South Vietnam and North Vietnam in the United Nations.

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~~"The meeting was not called for any decisions on a bombing pause. There has been a great improvement by the South Vietnamese in building up their own Armed Forces.... They should have 300,000 regulars plus 200,000 popular forces in the field before the end of the year. They are better trained and better equipped now.~~

~~"Some of the press tried to create the expectation of a bombing pause. Then, when it failed to materialize, they tried to say that we had hardened our position at the talks. This is just not true.~~

~~"We can handle anything that is coming up in the field. There is a~~

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~~... we can handle anything. We can handle it to get
it done."~~

Secretary Rusk proceeded with a summary of the situation in Czechoslovakia.

"We are witnessing, I think, one of those rare watersheds in world history, certainly in Communist history. It may even be that the watershed is behind us now.

"Since January, Czechoslovakia has been going through a historic effort to loosen up and move to democratic socialism. They have been trying to loosen their relations with their neighbors, between the press and the people at home, the nature of Communism and the role of the Communist Party. They have opened up divisions internally and in the block by their questioning of the place of the Party and the present arrangements of the Warsaw Pact.

"The Soviets are concerned and they have real cause for concern -- about the evolution of Communism in Czechoslovakia and the infectious quality of the Czechoslovakia example for such nations as Poland, and perhaps even the Soviet Union itself.

"Changes in the Soviet Union have their own momentum already. This is a major confrontation between the USSR and Czechoslovakia, and it has caused a deep split in the camp. East Germany is the strongest critic of Czechoslovakia but most West European Communist parties are either pro-Czechoslovakia or advocates of caution and moderation.

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"We don't know the results of the talks (in Cierna). It is a real dilemma for the Soviet Union. They will pay a fantastic price if they move by force -- and an equally heavy price if they do not (resolve) this major event.

"We have used all restraint to stay out of it. We have not wanted to give the Soviets any excuse for direct action against the Czechs. We don't want to provoke them on any pretext.

"I think the two sides will find a formula and it may include some Czech compromises."

The President invited Ambassador Ball to give a brief report on the situation in the Middle East.

AMBASSADOR BALL 12:15 - 12:20 p.m.

The situation is still at deadlock. Dr. Jarring "has worked hard and well" to resolve the dilemma but many difficulties remain.

"My first effort was to break the procedural deadlock.... There is some Arab desire to negotiate, but the Israelis will talk only on bilateral terms and to the point of a contractual peace treaty.

"I talked to the Israelis before my trip, emphasizing the hard problems of bilateral negotiation.... I did not think that I had succeeded in persuading them, but two days before my arrival in the Middle East, the Israelis asked the Arabs some questions through Jarring... so we have some movement. ...I hit this point very hard with the people in Jerusalem.... There is some change now, though they will not admit it in public. They also asked me, when I was in Jerusalem, to put some questions to King Hussein. They were unacceptable as couched, but it is an indication of movement and it does offer something to chew on.

Jordan wants a settlement but Nasser is standing firm against it. The mandate of the Khartoum formula. King Hussein may have